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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	92059992
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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

SPOONJACK LLC d/b/a SPOONJACK,

Cancellation No. 92059992

Petitioner,

v.

DONALD J. TRUMP,

Reg. No. 3391095

Mark: TRUMP

Issued: March 4, 2008

Registrant.

**REPLY BRIEF IN SUPPORT OF PETITIONER'S MOTION FOR RECONSIDERATION OF THE
DECISION ON REGISTRANT'S MOTION TO DISMISS**

In its Opposition to Petitioner's Motion for Reconsideration ("Response Brief" or "Registrant's Brief", 12 TTABVUE), Registrant makes a series of false and misleading arguments. Petitioner addresses these, herein, in reference to Petitioner's Brief (11 TTABVUE).

I. Petitioner has met the standard for a Motion Reconsideration

Contrary to Registrant's argument, Petitioner has met the standard for a motion for reconsideration. In its Brief, Petitioner has established that the Board has erred in its decision finding that fraud in the filing of a Section 15 declaration for incontestability does not constitute grounds for cancellation of the involved registration, and that Petitioner has failed to plead materiality of Registrant's false statement. 11 TTABVUE 1-5. As Petitioner set forth in its Brief, the Board's decision is inconsistent with binding Board precedent, and Petitioner has pleaded materiality of Registrant's false statements. *Id.*

As set forth in TBMP § 518, a motion for reconsideration "... normally should be limited to a demonstration that, based on the facts before it and the applicable law, the Board's ruling is in error and requires appropriate change." This is precisely what Petitioner's Motion is.

Registrant's argument that Petitioner has failed to meet the standard (12 TTABVUE 2-3), and is simply a reargument of points made in its Opposition to Registrant's Motion to Dismiss (6 TTABVUE) and already considered by the Board, is false. Not only did the Board *not* address relevant points Petitioner argued, but also, in its Motion for Reconsideration, Petitioner is responding for the *first time* to the argument that *In re Bose Corp.*, 91 U.S.P.Q.2d 1938 (Fed. Cir. 2009) is the authority on whether fraud in the filing of a Section 15 declaration constitutes grounds

to cancel the involved registration and alters, in any way, prior precedent with regard to this issue. 11 TTABVUE 1-5. This was the Board's argument (10 TTABVUE 8-9) – Registrant never made this argument; he only relied on *Bose* in his failed and incorrect attempt to argue that Petitioner failed to plead intent to deceive.¹

II. Registrant misrepresents the language of Section 14 of the Lanham Act and its precedential interpretation

In Section C.1 of the Response Brief, Registrant alleges that the Board based its holding that “because the purportedly fraudulent statement was contained in a Section 15 declaration, it cannot form the basis for cancellation based on fraud,” “on two principles plainly set forth in Sections 14 and 15 of the Lanham Act, 15 U.S.C. §§ 1064, 1065.” 12 TTABVUE 3. As to Section 14, it states the principle as, “cancellation based on fraud under Section 14 requires that a fraudulent statement was made in connection with *obtaining or maintaining* a registration.” *Id.* (emphasis added)

In attempt to support its allegation and downplay the holding of *Crown Wallcovering Corp. v. The Wall Paper Mfrs. Ltd.*, 188 USPQ 141, 144 (TTAB 1975) that fraud in the filing of a Section 15 declaration constitutes grounds to cancel a registration, Registrant misrepresents both the stated premise of the Board's decision and the statutory language. 12 TTABVUE 3.

First, the Board, in its decision, never explicitly mentions the statute. Instead it relies on *Bose* as its authority on where, or in what filings, fraud constitutes a ground to cancel. 10 TTABVUE 6, 8. As Petitioner established in its Brief, *Bose* is not the authority on the issue, and while *Bose* cites the statute, it relies on *Torres* for its interpretation. 12 TTABVUE 3; *In re Bose Corp.*, 91 U.S.P.Q.2d at 1938; *infra* at 2-3.

Second, the actual words of the statute are “obtained fraudulently.” 15 U.S.C. § 1064. There is no mention of the word “maintained.” Rather, it is the Board, and the Court of Appeals for the Federal Circuit - with deliberate and thorough consideration for the Lanham Act - that have interpreted the words of the statute to comprehend more than initial securance of a registration but also securance of additional or continuing rights of registration, *including the right of*

¹ As previously established, in its Petition to Cancel, Petitioner pleaded all requisite elements of fraud under *Bose*, and did so in accordance with the Board's precedential guidance following *Bose*. See *DaimlerChrysler Corp. v. American Motors Corp.*, 94 USPQ2d 1086, 1089 (TTAB 2010); See also, 6 TTABVUE 6-9

incontestability, by fraud. *Crown Wallcovering Corp.*, 188 USPQ at 141, 144; *Torres v. Cantine Torresella S.r.L.*, 1 USPQ2d 1483 (Fed. Cir. 1986).

Both *Crown Wallcovering* and *Torres* have been cited in multiple Board decisions for this interpretation, including in *Bose* itself. *In re Bose Corp.*, 91 U.S.P.Q.2d at 1939; *See, also, e.g., K-Swiss Inc. v. Swiss Army Brands Inc.*, 58 USPQ2d 1543 (TTAB 2001) (“[T]he Court of Appeals for the Federal Circuit has found that a registration should be cancelled on the ground of fraud even though the fraud occurs after the issuance of the registration. *See Torres v. Cantine Torresella S.r.L.*, 1 USPQ2d 1483 (Fed. Cir. 1986). *See also, Crown Wallcovering Corp. v. The Wall Paper Mfrs. Ltd.*, 188 USPQ 141, 144 (TTAB 1975) (filing of a fraudulent Section 15 affidavit of incontestability constitutes fraud within the purview of Trademark Act Section 14(c), now Section 14(3) as amended).”); *Consorzio del Prosciutto di Parma v. Parma Sausage Products Inc.* 23 USPQ2d 1894, 1899 (TTAB 1992) (“The Court of Appeals for the Federal Circuit and the Board have also held that fraud in the filing of a post registration paper such as a renewal application and a Section 15 affidavit constitutes fraud in obtaining a registration within the meaning of Section 14(3), since by such documents the registrant is securing additional or continuing rights of registration by fraud. *Torres v. Cantine Torresella S.r.L.*, 808 F.2d 46, 1 USPQ2d 1483 (Fed.Cir. 1986); *Crown Wallcovering Corp. v. The Wall Paper Mfrs. Ltd.*, 188 USPQ 141 (TTAB 1975).” *Mister Leonard Inc. v. Jacques Leonard Couture Inc.*, 23 USPQ2d 1065 (TTAB 1992); *Volkswagenwerk Aktiengesellschaft v. Advance Welding and Mfg. Corp.*, 193 USPQ 676 (TTAB 1976).

III. Registrant’s rationalization of the Board’s decision is flawed and further misrepresents *In re Bose*

In Section C.12 of the Response Brief, Registrant next attempts to rationalize the Board’s erroneous application of *Bose*. 12 TTABVUE 4-5. Registrant’s rationalization is *nonsense*. First, the Board makes no such rationalization in its decision. 10 TTABVUE. The flawed rationalization is entirely Registrant’s own. Second, the sentence fragments, which Registrant extracted from pages 1939 through 1941 of *Bose* and misleadingly pieced together in his Brief were made with regard to the issue of whether “should have known” could be equated to “intent to deceive” – not whether fraud in the filing of a Section 15 declaration constitutes grounds to cancel. *In re Bose Corp.*, 91 U.S.P.Q.2d at 1939-1942. Third, Registrant’s conclusion that the “Board would be obligated, under

Bose, to follow the plain meaning of the Lanham Act” instead of any “technically binding decisions,” is absurd - particularly since *Bose* relies on *Torres* for interpretation of “obtained fraudulently” in the Lanham Act. And *Torres*, in turn, relies on *Crown Wallcovering*. *Bose*, itself, is relying on such decisions.

IV. Registrant misrepresents the precedential significance of *Crown Wallcovering* and other binding precedent

Finally, in Section C.3 of the Response Brief, Registrant attempts to downplay the significance of *Crown Wallcovering* and the extent of precedent holding that fraud in the filing of a Section 15 declaration does indeed constitute grounds to cancel. 12 TTABVUE 5-7.

First, Registrant represents the Board’s adjudication in *Crown Wallcovering* is mere dicta and states that the Board “dismisses the Petition for failure to allege intent to deceive.” 12 TTABVUE 5. Here again, Registrant is wrong.

In *Crown Wallcovering*, the Board states in the paragraphs immediately following those four paragraphs Petitioner already quoted in its brief (11 TTABVUE 3-4),

[P]etitioner's allegation that the Section 15 affidavit filed in connection with respondent's involved registration contained false statements cannot be considered to constitute a sufficient pleading of fraud in the absence of an accompanying assertion to the effect that such false statements were made willfully with the intent to deceive the Patent Office.

Accordingly, petitioner is allowed until January 9, 1976 in which **to file a perfected petition for cancelation**, failing which respondent's motion to dismiss will be granted.

Crown Wallcovering Corp., 188 USPQ at 144 (emphasis added).

The Board clearly states, that with the addition of “an accompanying assertion to the effect that [the false statements made in the Section 15 affidavit] were made willfully with the intent to deceive the Patent Office,” the petition would be “perfected.” *Crown Wallcovering Corp.*, 188 USPQ at 144. Accordingly, *essential* to the decision is the Board’s deliberate and unequivocal adjudication – with thorough consideration of the statutory language and relevant case law – that fraud in the filing of a Section 15 affidavit constitutes grounds to cancel a registration. *Id.* at 143-144. Otherwise, the petition could not be “perfected.” Accordingly, the Board’s adjudication cannot be considered mere dicta. It is indeed binding precedent.

But, even if there were any doubt, contrary to Petitioner’s unfounded representations (see *supra* at 3 and *infra* at 6), *Crown Wallcovering* has been cited in multiple subsequent precedential

decisions holding that fraud in the filing of a Section 15 declaration constitutes grounds to cancel, including, those in which the Board found fraud. *See Mister Leonard Inc. v. Jacques Leonard Couture Inc.*, 23 USPQ2d 1065 (TTAB 1992) (holding registrant committed fraud on the PTO with the filing of its Section 15 declaration); *Volkswagenwerk Aktiengesellschaft v. Advance Welding and Mfg. Corp.*, 193 USPQ 676 (TTAB 1976) (fraud found in Section 15 portion of Section 8 and 5 declaration); *See also, e.g. supra* at 2.

Further, though *Bose* is *not* the authority on whether fraud in the filing of a Section 15 declaration constitutes grounds to cancel, and has not altered the Board's interpretation of the words "obtained fraudulently" with *respect thereto*, Registrant also states, "[p]etitioner can point to no post-*Bose* decision that addresses the issue of cancellation for fraud in a Section 15 filing." 12 TTAVUE 6. This is also false.

Over a year after *Bose*, in *Factory Mutual Insurance Company and FM Approvals LLC v. Fullco Industries, Inc.*, Cancellation No. 92050758, 24 TTABVUE 4-5, 8 (December 17, 2010) before Judges Kuhlke, Cataldo and Wellington, after *granting* Petitioner's motion to amend to add a claim of fraud based on Respondent's false statement in its Section 15 declaration that "there is no proceeding involving [Respondent's rights to the mark in its registration] pending and not disposed of either in the U.S. Patent and Trademark Office or in the courts," the Board states,

Fraud in maintaining a registration occurs when a registrant knowingly makes a false, material representation of fact in connection with a Section 8 and/or 15 declaration for renewal. *See Torres v. Cantine Torresella S.R.L.*, 808 F.2d 46, 1 USPQ2d 1483, 1484 (Fed. Cir. 1986).

In this case, there is no dispute that respondent's statement in the original combined Section 8 and 15 declaration regarding no other USPTO proceeding involving respondent's rights in the mark was false. Moreover, the false statement is material inasmuch as, if not corrected, the registration acquires incontestable status. *Mister Leonard Inc. v. Jacques Leonard Couture Inc.*, 23 USPQ2d 1064, 1065 (TTAB 1992); *see also, Crown Wallcovering Corp. v. Wall Paper Manufacturer's Ltd.*, 188 USPQ 141, 144 (TTAB 1975).

Id. at 8.

Also, post-*Bose*, in *Intellogy Solutions, LLC v. IntelliGolf, Inc.* Opposition No. 91198579, 42 TTABVUE 5 (March 13, 2012) before Judges Seeherman, Cataldo, and Kuczman, the Board states,

With respect to the Section 15 portion of the declaration, the filing of a Section 15 declaration that contains material misstatements constitutes fraud within the purview of

Trademark Act Section 14(3). *Volkswagenwerk Aktiengesellschaft v. Advance Welding and Mfg. Corp.*, 193 USPQ 673, 677 (TTAB 1976).

Finally, in both Sections C.2 and C.3 of his Response Brief, Registrant exaggerates the significance of *Bose* stating, for example, that “[t]hrough its explicit recitation of the law and its overall approach to fraud claims, [1] the court encouraged the Board to rein in previous, overbroad applications of fraud,” and applying it, improperly, in effort to refute *Crown Wallcovering*. 12 TTABVUE 4, 6. While *Bose* has had an impact, it did not *invent* the concept of fraud at the TTAB, but more closely, brought fraud at the TTAB back to where it had been before the *Medinol* decision of 2003, six years before. Indeed, Registrant states in his footnote [1], quoting *Bose*, which in turn quotes a TTAB decision from 1981,

[a] party seeking cancellation of a trademark registration for fraudulent procurement bears a heavy burden of proof. Indeed, 'the very nature of the charge of fraud requires that it be proven "to the hilt" with clear and convincing evidence. There is no room for speculation, inference or surmise and, obviously, any doubt must be resolved against the charging party.

12 TTABVUE 4. Registrant conveniently omitted the citation, namely, *Smith Int'l, Inc. v. Olin Corp.*, 209 USPQ 1033, 1044 (T.T.A.B. 1981). Notably, a claim of fraud also required a high standard in *Crown Wallcovering* – the *same* decision which Registrant now represents *Bose* “rein[ed] in” for “overbroad applications of fraud” and attempts to pass off as “old.” 12 TTABVUE 4, 6. In *Crown Wallcovering*, the Board stated,

[I] is of course well established that in order to state a claim upon which relief can be granted on the ground of fraud, it must be asserted that the false statements complained of were made willfully in bad faith with the intent to obtain that to which the party making the statements would not otherwise have been entitled.


Crown Wallcovering Corp., 188 USPQ at 144 (emphasis added). This certainly does not indicate an “overbroad application[] of fraud” for *Bose* to “rein in.” Accordingly, it is nonsensical for Registrant to argue that *Bose* altered *Crown Wallcovering* with respect to its holding that fraud in the filing of a Section 15 declaration constitutes grounds to cancel – an issue not even addressed by *Bose*.

V. Conclusion

Fraud in the filing of a Section 15 declaration does constitute a ground for cancellation and Petitioner has sufficiently pleaded all of the requisite elements of fraud in accordance with the Board’s precedential guidance.

Accordingly, the Board's decision is in error and Petitioner respectfully requests the Board grant Petitioner's Motion for Reconsideration and deny Registrant's Motion to Dismiss.

Dated: June 10, 2015

By: 

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CERTIFICATE OF SERVICE

I hereby certify that a true and accurate copy of the foregoing REPLY BRIEF IN SUPPORT OF PETITIONER'S MOTION FOR RECONSIDERATION OF THE DECISION ON REGISTRANT'S MOTION TO DISMISS was served on this 10th day of June 2015, via first class mail, U.S. postal service, postage prepaid upon:

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By:/Tom Scharfeld/